

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6977**

**BILL NUMBER:** HB 1341

**NOTE PREPARED:** Feb 23, 2005

**BILL AMENDED:** Feb 22, 2005

**SUBJECT:** Permits in historic districts.

**FIRST AUTHOR:** Rep. Ayres

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill allows the Alcohol and Tobacco Commission to issue ten three-way, two-way, or one-way permits to a restaurant that is located:

- (1) in a historic district in a city or town; or
- (2) not more than 500 feet from the historic district;

if the historic district meets certain requirements. The bill provides that the legislative body of the city or town must adopt an ordinance requesting the Alcohol and Tobacco Commission to issue the permit. This bill also provides that an applicant may not already have an alcoholic beverage permit for premises within a historic district or within 500 feet of a district that is subject to a quota. The bill prohibits a permit issued under these provisions from being transferred to another location.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:** This bill will have an administrative impact on the ATC. If there is an increase in administrative costs, the ATC could presumably cover the increase through the use of existing staff and resources. The impact on the ATC will depend upon the increase in permit applications that result from this legislation. It is estimated that this bill will not result in a significant increase in permit applications.

**Explanation of State Revenues:** (Revised) The impact this bill will have on state revenues is indeterminable. This bill will allow the ATC to issue not more than ten (10) three-way, two-way, or one-way permit, without regard to quotas, to a restaurant that is located:

- (1) in a historic district in a city or town; or
- (2) not more than 500 feet from the historic district.

If 10 of each of these permits is granted, the total revenue increase would be \$15,000.

The historic district where the restaurant is located must also meet the following requirements:

- (a) The district has been listed in the National Register of Historic Places maintained under the National Historic Preservation Act of 1966, as amended.
- (b) A county courthouse is located within the district.
- (c) A historic opera house listed on the National Register of Historic Places is located within the district.
- (d) A historic jail and sheriff's house listed on the National Register of Historic Places is located within the district.

There is only one eligible district known at this time located in downtown Valparaiso.

The impact on state revenue would be as a result of permit fees, or increased beer, wine, and liquor sales, which would result in the state collecting more Excise taxes. These permits are issued for a term of one year and the fees for these permits are as follows:

- (1) a one-way permit is \$250;
- (2) a two-way permit is \$500;
- (3) a three-way permit is \$750.

Revenue from permit fees is distributed in the Excise Fund. Receipts are then distributed 2/3 to the General Fund of cities, towns, and counties based on population, and 1/3 is distributed to the state General Fund. If all 30 permits are granted the state General Fund would receive \$5,000, and \$10,000 would go to the General Fund of cities, towns, and counties.

The impact on alcohol sales is indeterminable. Revenue from alcohol Excise taxes are distributed to the following funds: state General Fund, the Post War Construction Fund, the ATC Enforcement and Administration Fund, and the Addiction Services Fund.

*Background:* A one-way permit is for a restaurant that serves beer only. A two-way permit allows a restaurant to serve both beer and wine, and a three-way permit allows a restaurant to serve beer, wine, and liquor.

**Explanation of Local Expenditures:** This bill also provides that the legislative body of the city or town must adopt an ordinance requesting the ATC to issue the permit. This provision could have an administrative cost impact on the local legislative body, but it is presumed that the impact could be covered through the use of existing staff and resources.

**Explanation of Local Revenues:** (Revised) Two-thirds of the fee revenue is distributed to cities, towns, and counties based on population. The maximum increase in permit revenue to cities, towns, and counties would be \$10,000.

Portions of the alcohol excise taxes that are collected are distributed to the cities and towns on the basis of population.

**State Agencies Affected:** Alcohol and Tobacco Commission.

**Local Agencies Affected:** Legislative body of an eligible city or town.

**Information Sources:**

**Fiscal Analyst:** Adam Brown, 317-232-9854.